



COUNTY OF SAN BERNARDINO

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Federal Legislative Activities Update on Fiscal Year 2013 Appropriations, Recent County Federal Legislative Positions and Surface Transportation Program Summary

Fiscal Year (FY) 2013 Appropriations Update

With a limited number of legislative days left in Congress and August Recess fast approaching, lawmakers continue to work through their annual appropriations process. So far, the House Appropriations Committee has approved all but two of the 12 annual spending bills, and the House has voted on six. At this time last year, the House only had two of their spending bills approved and it wasn't until late December that Congress combined the majority of the spending bills into an omnibus.

The Senate Appropriations Committees have passed several appropriations bills, but none have gone to the floor for full Senate consideration. In opposition to the House efforts to cut spending beyond levels agreed to last year, this week, Senate Democrats indicated that it is highly unlikely they will pass any of the annual spending measures before the November elections. If the appropriations bills are not passed by the House and Senate before October 1st, a continuing resolution (CR) must be passed to keep the federal government funded. This sets up a struggle between the two chambers to keep the government funded. It is our goal to ensure the County's interests are represented in every step of the process as we advocate for a fair distribution of discretionary funding. Please find a current status of the appropriations bills below.

Appropriations Bills	House Status	Senate Status
Agriculture	Passed out of Committee June 19	Passed out of Committee April 26
CJS H.R. 5326	Passed House (247-163) May 10	Passed out of Committee April 19
Defense H.R. 5856	Passed Committee May 17	Subcommittee Draft Pending
Energy-Water H.R.5325/S.2465	Passed the House (255-165) June 6	Passed out of Committee April 26
Financial Services S.3301	Passed out of Committee June 20	Passed out of Committee June 14
Homeland Security H.R.5855/S.3216	Passed House (234-182) June 7	Passed out of Committee May 22
Interior-Environment	Subcommittee Draft Pending	Subcommittee Draft Pending
Labor-HHS-Education S. 3295	Subcommittee Draft Pending	Passed out of Committee June 14
Legislative Branch H.R. 5882	Passed House June 8 (307-102)	Subcommittee Draft Pending
Military Construction-VA H.R. 5854/ S. 3215	Passed House (407-12) May 31	Passed out of Committee May 22
State-Foreign Operations H.R. 5857/ S. 3241	Passed out of Committee May 17	Passed out of Committee May 24
Transportation-HUD H.R. 5972/S. 2322	Passed the House June 29	Passed out of Committee April 19

In terms of specific funding of County interest, the **Transportation Housing and Urban Development (THUD)** appropriations bill that was recently passed by the House provides \$103.6B in funding, including \$51.6 billion in total discretionary spending. The County continues to advocate for adequate funding for Community Development Block Grants, HOME Investment Partnership Program, Homelessness and Veterans programs to address the needs of San Bernardino County. The House and Senate appropriations bill include the following:

- Community Development Block Grant – The House proposes \$3.4B and the Senate proposes \$3.1B for CDBG in FY13, an increase from the \$2.9B enacted in FY12.
- Homeless Assistance Grants – The House and Senate propose approximately \$2B. The County continues to advocate for full funding of this program as well as priority funding for areas with high foreclosure rates as to not only help existing homeless families but prevent families from becoming homeless.
- HOME Investment Partnership Program– \$1.2B included in the House version and level funding of \$1B in the Senate proposals.

The mission of the government of the County of San Bernardino is to satisfy its customers by providing service that promotes the health, safety, well being, and quality of life of its residents according to the County Charter, general laws, and the will of the people it serves.

- Veterans - \$75M is provided in the current House proposal for rental voucher assistance through a program in conjunction with VA for Public Housing Authorities (PHA) that partner with VA medical centers, based on geographical need and PHA administrative performance. Other funds are available in the House bill for veterans housing including up to \$75M for HUD-VASH and up to \$50M to administer Veterans Supportive Housing Vouchers.
- The Senate THUD proposal also includes language that would set aside up to \$15M for incentives as part of a Jobs-Plus Pilot initiative modeled after the Jobs-Plus demonstration to be awarded to Public Housing Authorities (PHA) that partner with local Workforce Investment Boards (WIB).

County Advocacy – During the week of July 16, 2012, a delegation from the County of San Bernardino will meet with lawmakers in Washington DC to discuss and advocate the County's legislative priorities, including adequate funding for Community Development Block Grants, HOME, veterans assistance grants, homeless funding.

Commerce, Justice and Science (CJS) appropriations bill provides for \$51.1B in discretionary funding for the Department of Commerce, Department of Justice, and other related agencies, and is \$1.6 B less than current funding. The House's CJS bill reduces COPS and the State Criminal Alien Assistance Program (SCAAP) funding for FY13, while increasing funding for the Second Chance Act. Over the last month, the county has advocated to ensure these programs are adequately funded.

County Advocacy - In response to a recent decision by the Bureau of Justice Assistance to discontinue the SCAAP payments for inmates whose immigration status is unknown, the County sent a letter to our congressional delegation expressing our opposition to the proposal. This program provides partial reimbursement to local governments for some of the costs associated with incarceration that have been historically unfunded. We will continue to monitor this issue as it moves forward.

Other related law enforcement activities for the month of June include legislative committee and delegation meetings that were facilitated by our federal advocates for the Sheriff's department while they were in Washington D.C. During these meetings the county discussed the county's application to extend the term of the 2008 Byrne Memorial grant awarded from the Department of Justice (DOJ) that the San Bernardino-Riverside County CAL-ID program plans to use to purchase updated biometric technology for officers in the field. Also discussed was congressional support for full funding SCAAP.

Energy and Water appropriations bill provides \$32.1B of funding for civil works projects by the Army Corps of Engineers, the Department of Interior's Bureau of Reclamation and the Department of Energy. Of interest to the County, the Army Corps of Engineers (Corps) is funded at \$4.8B and there are no congressional earmarked projects. The bill provides \$1.89B for navigation studies and projects; this includes \$1B for the Harbor Maintenance Trust Fund, \$1.45B for flood risk management activities, and \$324 million for necessary navigation and flood control projects as determined by the Corps. The proposed construction funding levels for the Santa Ana River Mainstem Project, which is designed to provide flood protection for communities in Orange, Riverside and San Bernardino Counties have come in well below previous allocations.

County Advocacy - The County will continue to work with our legislative advocates and Orange and Riverside counties to increase funding for this joint project.

Labor, Health and Human Service appropriations - the House appropriations committee has not released their draft and the Senate passed their Labor HSS appropriations bill which provides over \$158B in discretionary funding for domestic spending. Specifically the bill provides for the following:

- Employment and Training- \$12.3B is provided for the Department of Labor, compared to \$12.5B in the current fiscal year. This includes approximately \$770 million for Adult Employment and Training, \$824 million for Youth Training, and \$1B for Dislocated Worker Assistance, all of which are funded at the current levels.
- Health- \$1B is provided in mandatory spending from the Prevention and Public Health Fund as well as \$3B for Centers for Medicare and Medicaid Services.
- Human Services - \$1.7B is provided for Social Service Block Grants and includes increases to Head Start and the Low-Income Home Energy Assistance. Programs for Older Americans would receive the same level of funding.

County Advocacy – In preparation for the House appropriations bill, the County is appealing to the Committee for funding levels similar to those proposed in the Senate version in support of Workforce Investment Act funding.

County Adopted Legislative Positions in June

H.R. 4144 (Baca), the Strengthening Economic Development through Affordable Housing Act, would allow community development corporations and non-profit organization to access additional federal funding for the acquisition, construction, renovation and maintenance of affordable housing projects. Position: Support

H.R. 3125, the Earthquake Insurance Affordability Act, would reduce the costs of earthquake insurance by creating a limited federal loan guarantee from post-event bonds. Position: Support

S. 637 (Feinstein), the Earthquake Insurance Affordability Act, would reduce the costs of earthquake insurance by creating a limited federal loan guarantee from post-event bonds. Position: Support

Surface Transportation Authorization Summary

Congress returned to work this week after a week-long Independence Day Congressional District Work period. Before they recessed at the end of June, Congress approved the Conference Report to H.R. 4348, the Moving Ahead for Progress in the 21st Century Act or "MAP- 21", clearing it for the President's signature. The bill extended the authorization for the surface transportation program through FY14, the National Flood Insurance program through FY17 and the current student loan interest rate through June 30, 2013.

Both chambers also approved reauthorizing the Secure Rural Schools programs and a one-year extension of the Payment-In-Lieu-of-Taxes program. In regards to the highway bill, the final agreement was a result of significant compromise between House Republicans and Senate Democrats. Significant reforms in the bill are included to expedite project delivery of transportation projects by reducing number and length of environmental reviews. One of major concession for including these streamlining provisions was not including the Keystone XL pipeline approval in the final report, which had the potential to derail the entire conference negotiation. Additional provisions of the bill:

- Highway funding – The Conference Report includes \$39.7B in FY13 and \$40.26B in FY14 plus an additional \$739 million per year in mandatory highway spending. It addresses the gap between Highway Trust Fund (HTF) revenues and total through a one-time transfer from the General Fund (GF) of \$18.8B offset by pension reforms.
- Federal Highway Program – The final compromise restructures the Federal Highway Program into four core formula programs:
 1. National Highway Performance Program – Made up of the Interstate Maintenance, National Highway and on-system portion of the existing Highway Bridge program the new consolidated program provides \$22.25B for improvements to the National Highway System.
 2. Surface Transportation Program – This program provides \$102B for FY13 and \$10.3B for FY14 of formula funding to be sub-allocated within the state to local governments based on population to improve the condition of Federal highways and bridges on any public road and include eligibility for non-federal bridges.
 3. Highway Safety Improvement Program (HSIP) – This program continues funding for highway-railway grade crossings at \$225M. Would also provide \$2.44B for FY13 and \$2.4B for FY14 for road infrastructure safety improvements.
 4. Congestion Mitigation and Air Quality Program (CMAQ) – Would provide \$2.26B for FY13 and \$2.28B for FY14 to continue the CMAQ program, but would not include Senate provisions that would require CMAQ funds to be used for clean construction equipment.
- Equity Bonus Program – Eliminates the Equity Bonus Program that was meant to ensure each state receives a minimum return of highway funds from its payments to the Highway Trust Fund (HTF), and instead distributes funds to the states based on total highway funds a state received in FY12 (apportioned and allocated) and guarantees that no state receive less than 95% of tax receipts it contributed to the HTF starting in FY14.
- State Formulas – The Conference Report allocates \$37.5B in FY13 and \$37.8B in FY14 to be distributed to the states based on their percentage of FY12 funds.
- TIFIA – MAP-21 allocates \$750M for FY13 and \$1B for FY14 for TIFIA grants on a first come first serve basis.
- Public Private Partnerships (P3s) and Tolling – Allows states to place tolls on any federal facility to provide new capacity, but the number of new tolled lanes are not allowed to exceed the number of free lanes. The bill did not include the Senate provision that would reduce a state's federal funding if it were to sell or lease roads to private companies.
- Rail Title – The Conference Report does not include a rail title due to the Conference Committee's inability to reach consensus on the principles for the Rail title. They will likely be looking at introducing separate legislation for these rail issues next session of Congress.
- Projects of National and Regional Significance – Pending appropriations, the conference report also authorizes \$500M (FY13 only) for the Projects of National and Regional Significance, which was part of the original Senate conference proposal.
- National Freight Program – The National Freight Program was not included in the final report, but would establish a national freight policy consisting of a framework of up to 30,000 miles of interstate and non-interstate lines. The report also encourages states to invest in freight projects by increasing the federal share for freight mobility projects identified by the newly required state freight strategy plans from 80 percent to 90 percent for non-Interstate projects and from 90 to 95 percent for projects on the Interstate system.
- Transportation Alternatives – Consolidates funding for transportation enhancements (TE), the Safe Route to School program, the recreational trails program and transportation alternative into a new transportation alternatives (TA) and reduces funding for these activities by \$300 million by requiring that states set aside 2 percent of their total apportionment. States are also allowed to transfer funds from this program to other programs exceeding 100 percent of an annual TA set-aside from previous years of TA funding.